

different forms of business were conducted under the same managers and capital with the result of bankruptcy in consequence of the incompatibility of the various kinds of undertaking and their diverse needs and demands. A prominent example of such failure may be cited (which occurred in practice) where one of the modes of combined business required a periodical "locking up" of resources, while the other kind fundamentally rested upon the constant availability of funds. . A large and sudden demand upon the latter branch became coincident with a <sup>tt</sup> lock-up " in the former, and the conjunction proved a catastrophe.

Large subjects so generally become infected with confusions of terms, conducing to deeper obscurity of thought and impotence of practical wisdom, that I am tempted to add a few observations. The misconception in commerce to which I here allude rests upon a common fallacy in the abstractions of language. We describe the *individuals* of a country under the generic term of a *Nation*, and then tend erroneously to regard the nation as a distinct *entity*, just as the individuals composing it form separate entities. A nation<sup>1</sup> possesses no meaning except as a collection of people bound together by community of race, laws, religion, traditions and customs. A familiar illustration of this ambiguity of conception may be derived from a common notion of our Consolidated Fund (established in 1786), which exists as the source of payment of the more permanent expenditure authorised by Parliament, and combining, for example, the charges of the Public Debt, the Civil List of Pensions, and the maintenance and administration of the Courts of Justice. When legislation is popularly demanded in any direction, it is not unusual for the people to request that the financial burdens which it entails should not be raised by taxation but defrayed from the Consolidated Fund, in forgetfulness of the fact that this Fund is itself composed exclusively of the proceeds of taxes. That Fund is thus viewed as an independent entity, showering affluence spontaneously,

<sup>1</sup> Obviously, in regarding a "nation," we must also

include the Action and Reaction of Feelings (spontaneous, and continually varying in intensity) which incessantly mediate between the members ; and the vital contagion which those feelings propagate.